

WC 09-136

DOCKET FILE COPY ORIGINAL

July 22, 2009

FCC/US BANK JUL 23 2009

VIA EXPRESS MAIL

Federal Communications Commission
Wireline Competition Bureau Applications
P.O. Box 979091
St. Louis, MO 63197-9000

RE: Application for Integra Telecom Holdings, Inc., Eschelon Telecom, Inc., Electric
Lightwave, LLC and other subsidiaries of Integra Telecom Holdings, Inc. for Section 214
Authority to Transfer Control of Domestic and International Authorizations

Dear Sir/Madam:

On behalf of Integra Telecom Holdings, Inc. and its subsidiaries (collectively, "Integra"), enclosed please find an original and six (6) copies of an application for Section 214 authority to transfer control of Integra's domestic and international authorizations in connection with the restructuring of Integra's ultimate parent company, Integra Telecom, Inc.

Pursuant to Section 63.04(b) of the Commission's Rules, Integra submits this filing as a combined international Section 214 transfer of control application and domestic Section 214 transfer of control application.

Also enclosed please find a completed Fee Remittance Form 159 containing a valid VISA credit card number and expiration date for payment, in the amount of \$1,015.00, to the Federal Communications Commission, in satisfaction of the filing fee for this application under line 2.b of Section 1.1105 of the Commission's Rules.

Integra is simultaneously filing the application with the International Bureau through the MyIBFS filing system.

Please date-stamp the enclosed extra copy of this filing and return it in the envelope provided. Please direct any questions regarding this filing to the undersigned.

Respectfully submitted,



Michelle Cohen

FCC/US BANK JUL 23 2009

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE
FORM 159

Approved by OMB
304A-0589
Page No. 1 of 2

(1) LOCKBOX # 979091		PROPRIETARY USE ONLY	
SECTION A - PAYER INFORMATION			
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) Integra Telecom Holdings, Inc./Ann Tollefson		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$1,015.00	
(4) STREET ADDRESS LINE NO. 1 1201 NE Lloyd Boulevard			
(5) STREET ADDRESS LINE NO. 2 Suite 500			
(6) CITY Portland		(7) STATE OR	(8) ZIP CODE 97232
(9) DAYTIME TELEPHONE NUMBER (include area code) 503-453-8000		(10) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(11) PAYER (FRN) 0004257010			
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) COMPLETE SECTION BELOW FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(13) APPLICANT NAME Integra Telecom Holdings, Inc.			
(14) STREET ADDRESS LINE NO. 1 1201 NE Lloyd Boulevard			
(15) STREET ADDRESS LINE NO. 2 Suite 500			
(16) CITY Portland		(17) STATE OR	(18) ZIP CODE 97232
(19) DAYTIME TELEPHONE NUMBER (include area code) 503-453-8000		(20) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(21) APPLICANT (FRN) 0004257010			
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE CUT	(25A) QUANTITY 1	
(26A) FEE DUE FOR (PTC) \$1,015.00	(27A) TOTAL FEE \$1,015.00		
(28A) FCC CODE 1		(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE		
(28B) FCC CODE 1		(29B) FCC CODE 2	

CERTIFICATION STATEMENT

SECTION D - CERTIFICATION

foregoing and supporting information is true and correct to

DATE

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE (CONTINUATION SHEET)
FORM 159-C

Page No **2** of **2**

USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT
SECTION BB - ADDITIONAL APPLICANT INFORMATION

(13) APPLICANT NAME Eschelon Telecom, Inc.		
(14) STREET ADDRESS LINE NO. 1 1201 NE Lloyd Boulevard		
(15) STREET ADDRESS LINE NO. 2 Suite 500		
(16) CITY Portland	(17) STATE OR	(18) ZIP CODE 97232
(19) DAYTIME TELEPHONE NUMBER (include area code) 503-453-8000		(20) COUNTRY CODE (if not in U.S.A.)
FCC REGISTRATION NUMBER (FRN) REQUIRED		
(21) APPLICANT (FRN) 0010289114		
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET		
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE	(25A) QUANTITY
(26A) FEE DUE FOR (PTC)	(27A) TOTAL FEE	
(28A) FCC CODE 1	(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	
(28B) FCC CODE 1	(29B) FCC CODE 2	
(23C) CALL SIGN/OTHER ID	(24C) PAYMENT TYPE CODE	(25C) QUANTITY
(26C) FEE DUE FOR (PTC)	(27C) TOTAL FEE	
(28C) FCC CODE 1	(29C) FCC CODE 2	
(23D) CALL SIGN/OTHER ID	(24D) PAYMENT TYPE CODE	(25D) QUANTITY
(26D) FEE DUE FOR (PTC)	(27D) TOTAL FEE	
(28D) FCC CODE 1	(29D) FCC CODE 2	
(23E) CALL SIGN/OTHER ID	(24E) PAYMENT TYPE CODE	(25E) QUANTITY
(26E) FEE DUE FOR (PTC)	(27E) TOTAL FEE	
(28E) FCC CODE 1	(29E) FCC CODE 2	
(23F) CALL SIGN/OTHER ID	(24F) PAYMENT TYPE CODE	(25F) QUANTITY
(26F) FEE DUE FOR (PTC)	(27F) TOTAL FEE	
(28F) FCC CODE 1	(29F) FCC CODE 2	

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE (CONTINUATION SHEET)
FORM 159-C

Page No. 2 of 2

USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT
SECTION BB- ADDITIONAL APPLICANT INFORMATION

(13) APPLICANT NAME Electric Lightwave, LLC		
(14) STREET ADDRESS LINE NO. 1 1201 NE Lloyd Boulevard		
(15) STREET ADDRESS LINE NO. 2 Suite 500		
(16) CITY Portland	(17) STATE OR	(18) ZIP CODE 97232
(19) DAYTIME TELEPHONE NUMBER (include area code) 503-453-8000		(20) COUNTRY CODE (if not in U.S.A.)
FCC REGISTRATION NUMBER (FRN) REQUIRED		
(21) APPLICANT (FRN) 0015577745		
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET		
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE	(25A) QUANTITY
(26A) FEE DUE FOR (PTC)	(27A) TOTAL FEE	
(28A) FCC CODE 1		(29A) FCC CODE 2
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	
(28B) FCC CODE 1		(29B) FCC CODE 2
(23C) CALL SIGN/OTHER ID	(24C) PAYMENT TYPE CODE	(25C) QUANTITY
(26C) FEE DUE FOR (PTC)	(27C) TOTAL FEE	
(28C) FCC CODE 1		(29C) FCC CODE 2
(23D) CALL SIGN/OTHER ID	(24D) PAYMENT TYPE CODE	(25D) QUANTITY
(26D) FEE DUE FOR (PTC)	(27D) TOTAL FEE	
(28D) FCC CODE 1		(29D) FCC CODE 2
(23E) CALL SIGN/OTHER ID	(24E) PAYMENT TYPE CODE	(25E) QUANTITY
(26E) FEE DUE FOR (PTC)	(27E) TOTAL FEE	
(28E) FCC CODE 1		(29E) FCC CODE 2
(23F) CALL SIGN/OTHER ID	(24F) PAYMENT TYPE CODE	(25F) QUANTITY
(26F) FEE DUE FOR (PTC)	(27F) TOTAL FEE	
(28F) FCC CODE 1		(29F) FCC CODE 2

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
INTEGRA TELECOM HOLDINGS, INC.,)	File No. ITC-T/C-2009_____
ESCHELON TELECOM, INC.,)	
ELECTRIC LIGHTWAVE, LLC,)	
and other subsidiaries of)	
Integra Telecom Holdings, Inc.)	
Joint Application for Consent to a Transfer of)	WC Docket No. 09-_____
Control Pursuant to Section 214 of the)	
Communications Act of 1934, as Amended)	

**JOINT INTERNATIONAL AND DOMESTIC APPLICATION
FOR STREAMLINED CONSENT TO TRANSFER CONTROL**

Pursuant to Section 214 of the Communications Act of 1934, as amended (the "Act"),¹ and Sections 63.04 and 63.24 of the Rules of the Federal Communication Commission (the "Commission"),² this Application seeks the Commission's consent to the proposed transfer of control of Integra Telecom Holdings, Inc. ("Integra Holdings"), Eschelon Telecom, Inc. ("Eschelon"), Electric Lightwave, LLC ("Electric Lightwave") and the subsidiaries listed on Schedule I hereto, in connection with the debt restructuring of Integra Telecom, Inc. ("Integra Telecom"), the ultimate parent of these certificated carriers and their subsidiaries (collectively, "Integra"), as described below. A Domestic Supplement, containing the information required by 47 C.F.R. § 63.04,³ is attached hereto as Exhibit A.

The respective transferors and transferees identified below (together with Integra, the "Applicants") seek presumptive streamlined processing of this Joint International and

¹ 47 U.S.C. § 214.

² 47 C.F.R. §§ 63.04(b), 63.24(e).

Domestic Application pursuant to Sections 63.03 and 63.12 of the Commission's Rules.³ With respect to domestic 214 authority, this Application is eligible for streamlined processing pursuant to Section 63.03(b)(1)(ii) of the Commission's Rules, as the transferees are not domestic telecommunications providers. The proposed debt restructuring involves the transfer of control from existing shareholders to existing debt holders and changes in designation rights with respect to the Board of Directors. The transfer of control will not result in any change in service, except in very limited circumstances involving four business customers in Washington state, as further discussed below. Additionally, Integra Holdings and its subsidiaries meet the streamlining criteria set forth in Sections 63.03(b)(2)(i)-(ii) of the Commission's Rules. With respect to international 214 authority, this Application qualifies for streamlined processing pursuant to Section 63.12(c)(1)(ii). As demonstrated below, Integra Holdings and its subsidiaries are entitled to a presumption of nondominance pursuant to Section 63.10(a)(3) with respect to the foreign carriers with which a transferee, identified below, is affiliated.

In support of this Application, Applicants submit the following information:

I. PRINCIPAL APPLICANTS

Integra is a leading, facilities-based integrated communications services provider serving approximately 120,000 customers in 11 states and 33 metropolitan areas through various regional operating subsidiaries. Integra Holdings and its subsidiaries are discussed, in turn, below.

(a) INTEGRA TELECOM HOLDINGS, INC. (FRN: 0004257010) & CERTAIN SUBSIDIARIES

³ 47 C.F.R. §§ 63.03 and 63.12.

Integra Holdings is a corporation organized under the laws of the state of Oregon, with its principal place of business at 1201 NE Lloyd Blvd, Suite 500, Portland, Oregon 97232. Integra Holdings is a certificated carrier⁴ and a wholly owned subsidiary of Integra Telecom. Integra Holdings provides local telephone service, long distance and international calling, and high-speed Internet access to small and mid-sized businesses.

Integra Holdings has operating subsidiaries holding competitive local exchange carrier licenses to operate as facilities-based providers in Idaho (Integra Telecom of Idaho, Inc.), Minnesota (Integra Telecom of Minnesota, Inc.), North Dakota (Integra Telecom of North Dakota, Inc.), Oregon (Integra Telecom of Oregon, Inc.), Utah (Integra Telecom of Utah, Inc.) and Washington (Integra Telecom of Washington, Inc.). Scott-Rice Telephone Company is a rural ILEC subsidiary of Integra Holdings that operates in Minnesota.

(b) ELECTRIC LIGHTWAVE, LLC (FRN: 0015577745)

Electric Lightwave, another subsidiary of Integra Holdings, holds its own Section 214 authorizations⁵ and offers business customers a suite of integrated telecommunications products and services in metropolitan areas in Arizona, Oregon, Washington, Nevada, California, Utah, Idaho and New York. Electric Lightwave also offers long distance, data, Internet access and broadband transport services.

⁴ Integra Holdings and certain of its authorized subsidiaries provide international telecommunications services pursuant to International Section 214 authorization granted by the Commission in File No. ITC-214-19970820-00500.

⁵ Electric Lightwave provides international telecommunications services pursuant to International Section 214 authorizations granted by the Commission in File Nos. ITC-214-19940415-00137 and ITC-214-19980619-00425.

**(c) ESCHELON TELECOM, INC. (FRN: 0010289114) &
SUBSIDIARIES**

Eschelon is also a subsidiary of Integra Holdings that holds its own 214 authorization.⁶ Eschelon itself is authorized to provide telecommunications services in Idaho and New York; however, Eschelon presently only provides service, specifically long distance resale service, to one business customer in New York and fewer than 10 business customers in Idaho. Eschelon Operating Company ("OPCO") is a wholly owned subsidiary of Eschelon. OPCO has several direct, wholly owned subsidiaries that offer telecommunications services in various states.⁷ In these states, the subsidiaries provide resold and facilities-based local, resold long distance, Internet and data services to small and medium sized-businesses. Eschelon owns switches in all states where it offers local services. Except as already stated herein, there are no other affiliates of Eschelon that offer domestic telecommunications services. As permitted by Section 63.21 of the Commission's Rules, 47 C.F.R. § 63.21, Eschelon's subsidiaries currently provide resold international switched telecommunications services pursuant to Eschelon's international Section 214 authorization.⁸

⁶ Eschelon and its authorized subsidiaries provide international telecommunications services pursuant to International Section 214 authorization granted by the Commission in File No. ITC-214-19990729-00490.

⁷ Advanced TelCom, Inc. provides telecommunications services in the states of California, Nevada, Oregon and Washington. Advanced TelCom's subsidiary, Shared Communications Services, Inc. is a certificated carrier in Nevada, Oregon and Washington. Oregon Telecom, Inc. provides telecommunications services in Oregon and Washington. Eschelon Telecom of Minnesota, Inc., Eschelon Telecom of Washington, Inc., Eschelon Telecom of Colorado, Inc., Eschelon Telecom of Nevada, Inc., Eschelon Telecom of Arizona, Inc., Eschelon Telecom of Utah, Inc. and Eschelon Telecom of Oregon, Inc. each provide telecommunications services in the state that bears their name. Mountain Telecommunications, Inc. is the holding company for Mountain Telecommunications of Arizona, Inc., which provides services in Arizona. OneEighty Communications, Inc. provides telecommunications services in Montana. United Communications, Inc. d/b/a UNICOM provides telecommunications services in Oregon and Washington.

⁸ See Footnote 6, *supra*.

(d) TRANSFEREES⁹

(1) GOLDMAN, SACHS & CO.

Goldman, Sachs & Co., a New York Limited Partnership ("Goldman"), is a registered broker-dealer with offices at 85 Broad Street, New York, New York 10004. Following the proposed transfer of control, it is anticipated that Goldman will hold approximately 36.41% of the equity of Integra Telecom. The Goldman Sachs Group, Inc. ("GSG") is the sole limited partner of Goldman. The general partner of Goldman is The Goldman, Sachs & Co., LLC, of which GSG is the sole member. GSG is a widely-held Delaware corporation that is publicly-traded on the New York Stock Exchange. GSG provides investment banking, securities, and investment management services primarily to corporations, financial institutions, governments, and high-net-worth individuals worldwide. Through its affiliates and subsidiaries, GSG has been, and is currently, involved in, several Commission-regulated businesses.

(2) TENNENBAUM CAPITAL PARTNERS, LLC

Tennenbaum Capital Partners, LLC ("Tennenbaum") is a leading private investment firm located at 2951 28th Street, Suite 1000, Santa Monica, California 90405, with over \$3 billion in committed capital under management. Since the firm's founding in 1996, Tennenbaum has sought to create value by seeking out investment opportunities in companies undergoing change due to industry trends, economic cycles or specific company circumstances. Tennenbaum's Investment Group consists of approximately 30 individuals with the backgrounds, experience, and energy necessary to complete complex transactions and to address the ongoing needs of its business partners and investments.

⁹ Transferors are identified in Section IV below.

Tennenbaum is the Investment Manager to four registered investment companies (the "Tennenbaum Funds") which, in the aggregate, will hold approximately 21.86 percent of the common stock of Integra Telecom.

(3) FARALLON CAPITAL MANAGEMENT, L.L.C.

Farallon Capital Management, L.L.C. ("Farallon") is a registered investment adviser that manages assets on behalf of institutions and individuals with significant capital. Based at One Maritime Plaza, Suite 2100, San Francisco, California 94111-3528, the firm was founded by Thomas F. Steyer in March of 1986. Investments made by Farallon for the funds it manages (the "Farallon Funds") include public and private debt and equity securities, direct investments in private companies, and real estate. Farallon is managed by 15 individuals, consisting of 14 managing members and one senior managing member. Following the proposed transfer of control, it is expected that the Farallon Funds will hold, in the aggregate, approximately 12.89 percent of the equity of Integra Telecom.

II. DESCRIPTION OF THE TRANSACTION

Summary

The instant transaction for which Commission approval is sought involves the effective transfer of control of Integra Telecom, the ultimate parent entity of Commission-regulated carriers Integra Holdings, Eschelon, and Electric Lightwave and their associated subsidiaries listed on Schedule I hereto in connection with a restructuring of the debt and equity of Integra Telecom. Integra is a leading, facilities-based integrated communications services provider operating in 33 metropolitan areas throughout 11 states. In furtherance of an ongoing effort to reduce debt, and due to unprecedented economic conditions affecting the financial markets and business customers generally, Integra and its lenders have engaged in discussions to convert a substantial portion of its

existing debt into equity. Integra is operationally sound and one of the largest competitive local exchange carriers (CLECs) in the nation. Integra anticipates that as a result of the proposed restructuring it will be a stronger, well-capitalized and more competitive company.

In summary, pursuant to a Plan Support Agreement dated as of July 21, 2009 (the "Agreement"), and accompanying documentation, all of the current shareholder interests in Integra Telecom will be cancelled. Certain of Integra's junior secured and unsecured lenders will receive all of the shareholder interests in exchange for canceling their debt, and corresponding changes in the Board of Directors of Integra Telecom will be made, subject to Commission and other required regulatory approvals¹⁰ (the "Restructuring").

Warburg Pincus Private Equity X, L.P. ("Warburg") which, upon Commission consent in 2007, obtained approximately 51 percent of Integra Telecom's stock and the right to designate three members to Integra Telecom's board of directors (and which currently holds a promissory note issued in 2008) will reduce its ownership interest in Integra Telecom to approximately three¹¹ percent. The other Transferors identified herein, Boston Ventures Limited Partnership V ("Boston Ventures") (currently holding 37 percent and the right to designate two members to Integra Telecom's board of directors) and Banc of America Capital Investors V, L.P. ("Banc of America") (currently

¹⁰ Under the Agreement, Integra Telecom must solicit votes on the Restructuring from its lenders and shareholders. The parties are to use good faith efforts to consummate the Restructuring out of court; however, if Integra does not obtain unanimous consent from all voting parties to approve the Restructuring and/or the Restructuring is not otherwise consummated within 67 Days following the effective date of the Agreement (or such extended time period as the parties may agree under certain circumstances), then Integra would seek to implement the Restructuring through a "pre-packaged" Chapter 11 bankruptcy filing. Because the parties to the Agreement constitute the requisite majorities needed to approve a restructuring plan in bankruptcy, Integra expects that the prepackaged bankruptcy process would proceed expeditiously and would have little to no impact on business operations. In the case of such a filing, Integra would submit a *pro forma* transfer of control filing to the Commission for its international authorizations and make the required notification for its domestic authorizations.

¹¹ Under the Agreement, Warburg's \$12 million Note will be converted into approximately three percent of the Company's common stock.

holding 8.62 percent and the right to designate one member to Integra Telecom's board of directors), will relinquish their equity ownership in the company and their corresponding rights to designate members of Integra Telecom's board of directors. As described herein, certain of Integra Telecom's lenders have agreed to exchange their debt for equity as part of the Restructuring pursuant to the Agreement, with such lenders becoming the owners of a majority of Integra Telecom's equity upon the consummation of the Restructuring.

The exact equity percentage of the proposed equity owners cannot be determined until such time as the existing debt holders and shareholders have responded to Integra Telecom's solicitation of votes on the proposed restructuring plan. However, it is anticipated that Goldman will hold approximately 36.41 percent of the equity in Integra Telecom, Tennenbaum will hold a combined 21.86 percent equity interest in Integra Telecom across four separate Tennebaum Funds, and Farallon will hold approximately 12.89 percent of the equity in Integra Telecom across the Farallon Funds.¹² A diagram of Integra's investors before and after consummation of the Restructuring is attached hereto as Schedule II.

In addition, each holder of ten percent of the common stock after the consummation of the Restructuring will have the right to appoint one board member for each 10 percent of the common stock so owned, provided that no holder will be permitted to appoint more than three directors. The Board of Directors of Integra Telecom will initially consist of nine members following the consummation of the Restructuring. Accordingly, it is anticipated that Goldman will have the authority to appoint three seats

¹² Transferees' projected equity ownership is based upon ownership of Integra's instruments as of the date of submission of this Application. Ownership levels may change between the submission of this Application and consummation of the Restructuring. Applicants will update the Commission should any of the Transferees' positions materially change.

on a nine member Board of Directors of Integra Telecom. It is also anticipated that Tennenbaum would have the authority to appoint two board members and Farallon would have the authority to appoint one board member. Dudley Slater, CEO of Integra Telecom, and a current board member, would remain on the board. The other board seats would be reserved for independent directors, appointed by the holders of a majority in interest of the common stock. Thus, in furtherance of Integra Telecom's plans to restructure its debt, and to continue to offer its customers cutting edge competitive telecommunications services, approval of a transfer of control of the parent company of the authorized carriers is sought herein.

Specifics of the Restructuring

Specifically, on July 21, 2009, Integra Telecom and its operating subsidiaries entered into the Agreement with certain of its lenders (including Goldman, Tennenbaum Farallon and Warburg) to reduce its debt, which currently includes a first lien secured financing facility, a second lien secured financing facility, a senior unsecured paid in kind ("PIK") credit facility, an unsecured promissory note to Warburg, and other debt obligations. As a result of the Restructuring, Goldman, the holder of 40 percent of the second lien credit facility and twenty-one percent of the unsecured PIK facility, will exchange its debt for approximately 36.41 percent of the equity of Integra Telecom. The other significant debt holders that will become equity owners considered cognizable under the Commission's ownership rules are Tennenbaum and Farallon.

The closing of the Restructuring is contingent upon, among other things, receipt of necessary regulatory approvals from the Commission and other governmental and lender approvals.

As previously stated to the Commission, Integra Telecom currently is controlled by its Board of Directors, and after the proposed transaction is consummated, the board

will continue to be in control. No one shareholder will be in control of Integra under Commission rules. As a result, Integra hereby seeks approval of the Commission to effect these shareholder changes and corresponding adjustments to the Board of Directors. Accordingly, the Transferees are identified herein as the shareholders that will hold over 10 percent in Integra Telecom after the restructuring and that will designate six of the nine board members – Goldman, Tennenbaum and Farallon.¹³

Applicants emphasize that the proposed Restructuring should be virtually transparent to customers of the authorized carriers. The transfer of control will not result in any change in service, except in very limited circumstances involving four business customers in Washington state. Integra previously determined that these limited customers (some of which were legacy acquisition customers from a prior transaction) would be better served by an alternative carrier because these customers are not in areas where Integra actively markets; they are not in locations that Integra can readily provide technical support; and they are resale-only customers and thus have the underlying provider as an immediate alternative. Integra has consulted with these customers and the customers have indicated their intention to transition to an alternate carrier of their choosing. The transitioning of these customers to an alternate carrier will be finalized prior to the consummation of this transfer of control.¹⁴ Excepting the aforementioned customers, the carriers covered by this application will continue to provide the identical

¹³ While Farallon is expected to become a greater than 10 percent owner and information is being provided herein pursuant to Commission Rules, it is anticipated that Farallon may designate an independent director as its designate to Integra Telecom's board. Farallon has not selected a candidate at this time, but Farallon expects that a Farallon-appointed board member would possess certain key qualifications, specifically, an individual with senior management background in finance or operations and previous board experience with a public or comparable private company.

¹⁴ While Integra planned to transition these business customers, as discussed further in the Domestic Supplement attached hereto as Exhibit A, doing so also negates any overlap concern from Goldman's interest in Cequel Communications, LLC, and its operating subsidiary, Suddenlink Communications, which, after the transition of these customer accounts, will not have any known overlap with the Integra service areas.

end user telecommunications and other services to their customers and will continue to provide these services at the rates and pursuant to the terms and conditions of service their customers currently receive. Any future changes in the rates, terms and conditions of service will be made consistent with applicable law.

III. PUBLIC INTEREST

Applicants respectfully submit that the Restructuring described herein will serve the public interest. The proposed Restructuring will allow Integra Telecom to significantly reduce its debt and focus on its strategic business plan. Given Integra's core strengths, which include a best-in-class carrier network and an experienced workforce (including localized customer care, technical, and account management professionals who have enabled Integra to enjoy the highest customer loyalty and customer satisfaction ratings in the telecommunications industry), Integra remains confident that through the Restructuring, it will emerge as a healthier enterprise – better positioned to achieve its long-term goal of becoming the preferred business provider of telecommunications services and products in each of the regional markets it serves.

The proposed transferees, Goldman, Tennenbaum and Farallon are well-respected and established capital management firms. They share in common a philosophy of working closely with the management of companies in their portfolios. The collective expertise of these investors will help Integra successfully navigate the capital and debt markets and take advantage of strategic opportunities to expand Integra's network and product offerings. The broad experience of the major shareholders – in communications and technology companies in particular, but also across many other industries – renders them highly qualified to advise Integra's management on important operational matters as well as financial decisions.

The Restructuring proposed herein promises to significantly reduce Integra's debt and reset its financial covenants. Integra's new capital structure will enable it to continue providing superior communications services to its customers while investing in network facilities and operational support systems to support new products and services. Further, Integra's improved balance sheet is expected to enhance its credit rating and its ability to negotiate advantageous terms with vendors and creditors. Applicants fully expect that Integra will continue to offer innovative products and will further strengthen its competitive positions to the benefit of consumers and the telecommunications marketplace as a result of the proposed Restructuring.

Further, the transaction will be conducted in a manner that will be virtually transparent to customers of the certificated carriers. Except as previously disclosed,¹⁵ the transfer of control of Integra Telecom and its operating subsidiaries will not result in a change of carrier for end user customers or in an assignment of authorizations. Following consummation of the proposed Restructuring, the authorized carriers will continue to provide high-quality communications services to their customers without interruption and without immediate change in rates, terms or conditions.

Given the increasingly competitive nature of the domestic, interstate and international telecommunications markets, and the deadlines set forth in the Agreement, Applicants are seeking to complete the proposed Restructuring as soon as possible in order to ensure that customers and Applicants can rapidly obtain the benefits of the proposed transaction. Accordingly, Applicants respectfully request that the Commission process, consider and approve this Application as expeditiously as possible.

¹⁵ As described in the Description of the Transaction section, four business customers in Washington state will transition to another service provider prior to the consummation of the Restructuring. This matter is also discussed in the Domestic Supplement to this Application, attached hereto as Exhibit A.

For each of the foregoing reasons, grant of the proposed Restructuring is in the public interest.

IV. INFORMATION REQUIRED BY SECTION 63.24(e) OF THE RULES

As required by Section 63.24(e)(2) of the Commission's Rules, Applicants submit the following information:

(a) Names, addresses and telephone numbers of Applicants:

Principal Applicants

Integra Telecom Holdings, Inc.
Electric Lightwave, LLC
Eschelon Telecom, Inc.
1201 NE Lloyd Blvd., Suite 500
Portland, Oregon 97232
Tele: 503-453-8000

Transferees

Goldman, Sachs & Co.
85 Broad Street, 17th Floor
New York, New York 10004
Tele: (212) 902-0300

Tennenbaum Capital Partners, LLC
2951 28th Street, Suite 1000
Santa Monica, California 90405
Tele: 310-566-1000

Farallon Capital Management, L.L.C.
1 Maritime Plz, Ste 2100
San Francisco, California 94111-3528
Tele: 415-421-2132

Transferors

Warburg Pincus Private Equity X, L.P.
466 Lexington Avenue
New York, New York 10017
Tele: 212-878-0600

Banc of America Capital Investors V, L.P.
901 S. Main Street, 66th Floor
Dallas, Texas 75202
Tele: 214-209-2909

Boston Ventures Limited Partnership V
125 High Street, 17th Floor
Boston, MA 02110
Tele: 617-350-1504

(b) The Government, State, or Territory under the laws of which each of the Applicants is organized:

<u>Applicant</u>	<u>State of Organization</u>
Integra Holdings	Oregon
Eschelon	Delaware
Electric Lightwave	Delaware
Goldman	New York
Tennenbaum	Delaware
Farallon	Delaware
Warburg	Delaware
Banc of America	Delaware
Boston Ventures	Delaware

(c) Correspondence concerning this Application should be addressed to:

For Integra:

J. Jeffery Oxley
Executive Vice President, General Counsel and Secretary
Integra Telecom, Inc.
1201 NE Lloyd Blvd., Suite 500
Portland, Oregon 97232
Tele: (503) 453-8118
Fax: (503) 453-8223
Email: jeffery.oxley@integratelecom.com

With a copy to:

Michelle W. Cohen, Esq.
Thompson Hine LLP
1920 N Street, NW
Washington, DC 20036
Tele: (202) 263-4151
Fax: (202) 331-8330
Email: michelle.cohen@thompsonhine.com

For Transferees

For Goldman:

Kyle Volluz
Director
Goldman Sachs Specialty Lending Group, L.P.
6011 Connection Drive
Irving, Texas 75039
Tele: 972-368-2637
Fax: 972-368-5099
Email: kyle.volluz@gsslg.com

For Tennenbaum:

Elizabeth Greenwood, Esq.
General Counsel & Chief Compliance Officer
Tennenbaum Capital Partners, LLC
2951 28th Street, Suite 1000
Santa Monica, California 90405
Tele: 310-566-1043
Fax: 310-581-3120
Email: liz.greenwood@tennenbaumcapital.com

For Farallon:

Rajiv A. Patel
Managing Member
Farallon Capital Management, L.L.C.
One Maritime Plaza, Suite 2100
San Francisco, California 94111
Tele: 415-421-2132
Fax: 415-421-2133
Email: rpatel@farcap.com

For Transferors:

For Warburg:

Scott Arenare
Analyst
Warburg Pincus
466 Lexington Avenue
New York, New York 10017
Tele: 212-878-9490
Fax: 212-878-9450
Email: sarenare@warburgpincus.com

With a copy to:

Michael Jones
Willkie Farr & Gallagher LLP
1875 K Street, N.W.
Washington, D.C. 20006-1238
Tele: 202-303-1141
Fax: 202-303-2141
Email: mjones@willkie.com

For Banc of America:

George Morgan
Banc of America Capital Investors V, L.P.
901 S. Main Street, 66th Floor
Dallas, Texas 75202
Tele: 214-209-2909
Fax: 214-209-0985
Email: george.morgan@bankofamerica.com

For Boston Ventures:

Anthony Bolland
Boston Ventures Limited Partnership V
125 High Street, 17th Floor
Boston, MA 02110
Tele: 617-350-1504
Fax: 617-350-1524
Email: tbolland@bvlp.com

(d) Statement as to previous Section 214 authorization:

Integra Holdings and its authorized subsidiaries were previously granted International Section 214 authority in File No. ITC-214-19970820-00500.

Electric Lightwave was previously granted International Section 214 authority in File Nos. ITC-214-19940415-00137 and ITC-214-19980619-00425.

Eschelon and its authorized subsidiaries provide international telecommunications services pursuant to International Section 214 authorization granted by the Commission in File No. ITC-214-19990729-00490.

Transferors currently do not hold their own Section 214 authorizations. Transferors hold ownership and/or directors' interests in Integra Telecom, the ultimate parent company of Integra Holdings and its subsidiaries.

Transferees have not previously received Section 214 authority. After the proposed transaction, the transferees will hold ownership and/or directors' interests in Integra Telecom, the ultimate parent company of Integra Holdings and its subsidiaries.

- (e) Not applicable.
- (f) Not applicable.
- (g) Not applicable.
- (h) **The following are the only persons or entities who will hold a 10% or greater direct or indirect ownership interest in the Transferees:**

Goldman:

The following entities are deemed to have a 10 percent or greater interest in **Goldman, Sachs & Co.:**

Name:	The Goldman Sachs Group, Inc.
Address:	85 Broad Street New York, New York, 10004
Ownership:	99.8% Limited Partner Interest in Goldman, Sachs & Co. and Sole Member of The Goldman Sachs & Co. L.L.C.
Citizenship:	Delaware
Principal business:	Investments
Name:	The Goldman, Sachs & Co. L.L.C.
Address:	85 Broad Street New York, New York 10004
Ownership:	Sole General Partner of Goldman, Sachs & Co.
Citizenship:	Delaware
Principal business:	Holding company

All of the limited partner equity interests in Goldman, Sachs & Co. are held directly or indirectly by The Goldman Sachs Group, Inc., and The Goldman, Sachs & Co. L.L.C. controls Goldman, Sachs & Co. as its sole general partner. All of the equity interests (voting and non-voting) in The Goldman, Sachs & Co. L.L.C. are held by The Goldman Sachs Group, Inc., which is a public company listed on the New York Stock Exchange. No person or entity owns 10 percent or more of The Goldman Sachs Group, Inc.

Tennenbaum:

The following entities have a 10 percent or greater interest in Tennenbaum Capital Partners, LLC:¹⁶

Name:	Tennenbaum & Co., LLC
Address:	2951 28th Street, Suite 1000 Santa Monica, California 90405
Ownership:	40%
Citizenship:	Delaware
Principal business:	Investments
Name:	Howard M. Levkowitz
Address:	2951 28th Street, Suite 1000 Santa Monica, California 90405
Ownership:	15%
Citizenship:	U.S.
Principal business:	Managing Partner of Tennenbaum Capital Partners, LLC
Name:	Mark K. Holdsworth
Address:	2951 28th Street, Suite 1000 Santa Monica, California 90405
Ownership:	15%
Citizenship:	U.S.
Principal business:	Managing Partner of Tennenbaum Capital Partners, LLC

Michael E. Tennenbaum, a U.S. citizen, is the Managing Member of Tennenbaum & Co., LLC, which is wholly-owned by Mr. Tennenbaum and his wife, Suzanne Stockfisch Tennenbaum, a U.S. citizen. The Tennenbaum's address is 2951 28th Street, Suite 1000, Santa Monica, California 90405.

¹⁶ As set forth above, Tennenbaum is the Investment Manager to the Tennenbaum Funds, four registered investment companies which in the aggregate will hold approximately 21.86 percent of the common stock of Integra Telecom. The Tennenbaum Funds are: Special Value Opportunities Fund, LLC ("SVOF"); Special Value Expansion Fund, LLC ("SVEF"); Special Value Continuation Partners, LP ("SVCP"); and Tennenbaum Opportunities Partners V, LP ("TOPV"). The address for each of the Tennenbaum Funds is 2951 28th Street, Suite 1000, Santa Monica, California 90405. Each of the Tennenbaum Funds is organized under the laws of Delaware, and the principal business of each Fund is investments. It is anticipated that the Tennenbaum Funds will hold equity interests in Integra Telecom as follows: SVOF 5.73%; SVEF 4.78%; SVCP 1.27%; and TOPV 10.08%. Neither SVOF nor SVEF have a Managing Member. Both SVOF and SVEF have a majority-independent board of directors that serves the managing member role. For both SVCP and TOPV, SVOF/MM, LLC is the General Partner. The Managing Member of SVOF/MM, LLC is Tennenbaum. The General Partner has a limited role. Both SVCP and TOPV have a majority-independent board of directors. Information concerning equity holders in the Tennenbaum Funds is not provided, as no such equity holders will have a cognizable interest in Integra's certificated carriers. SVCP's ownership interest in another domestic telecommunications company is discussed in the Domestic Supplement to this Application, attached hereto as Exhibit A.

Farallon:

The following entities have a 10% or greater interest in **Farallon Capital Management, L.L.C.**:¹⁷

Name: Thomas F. Steyer
Address: One Maritime Plaza, Ste 2100
San Francisco, California 94111
Ownership: 41%
Citizenship: U.S.
Principal business: Senior Managing Member and Co-
Managing Partner of Farallon Capital
Management, L.L.C.

Name: Andrew J.M. Spokes
Address: One Maritime Plaza, Ste 2100
San Francisco, California 94111
Ownership: 25%
Citizenship: United Kingdom
Principal business: Managing Member and Co-Managing
Partner of Farallon Capital Management,
L.L.C.

¹⁷ As set forth above, Farallon is the investment manager to the Farallon Funds, which include the following 11 funds: Farallon Capital Partners, L.P. ("FCP, L.P."), a California limited partnership; Farallon FCP, Ltd. ("FFCP, Ltd.") a Delaware grantor trust; Farallon Capital Institutional Partners, L.P. ("FCIP, L.P."), a California limited partnership; Farallon FCIP, Ltd. ("FFCIP, Ltd."), a Delaware grantor trust; Farallon Capital Institutional Partners II, L.P. ("FCIP II, L.P."), a California limited partnership; Farallon Capital Institutional Partners III, L.P. ("FCIP III, L.P."), a Delaware limited partnership; Tinicum Partners, L.P. ("TP, L.P."), a New York limited partnership; Farallon Capital Offshore Investors II, L.P. ("FCOI II, L.P."), a Cayman, B.W.I. exempted limited partnership; Farallon FCOI II, Inc. ("FFCOI II, Inc."), a Cayman, B.W.I. exempted company; Farallon Capital Offshore Investors, Inc. ("FCOI, Inc."), a B.V.I. company; and Farallon Capital Offshore Investors III, Inc. ("FCOI III, Inc."), a Cayman, B.W.I. exempted company. It is expected that the individual Farallon Funds will hold the following percentage equity interests in Integra Telecom: FCP, L.P., 1.49%; FFCP, Ltd., 0.37%; FCIP, L.P., 1.92%; FFCIP, Ltd., 0.69%; FCIP II, L.P., 0.17%; FCIP III, L.P., 0.12%; TP, L.P., 0.02%; FCOI II, L.P., 1.88%; FFCOI II, Inc., 1.06%; FCOI, Inc., 2.98%; and FCOI III, Inc., 2.18%. In the aggregate, the Farallon Funds will hold approximately 12.89 percent of the common stock of Integra Telecom. The address for each of the Farallon Funds is One Maritime Plaza, Ste 2100, San Francisco, California 94111. The sole general partner for each of the above-referenced partnerships is Farallon Partners, L.L.C. ("FP"). FP also acts as the administrative trustee for the above-referenced Delaware grantor trusts. For Farallon Capital Offshore Investors, Inc. and Farallon Capital Offshore Investors III, Inc., Farallon Capital Management, L.L.C. acts as agent and attorney-in-fact. For Farallon FCOI II, Inc., its sole director is Farallon Partners Directors, L.L.C., the sole member of which is FP. The interests of Messrs. Steyer and Spokes in Farallon are reported as of the date of such disclosure made in Farallon's Form ADV and submitted to the U.S. Securities and Exchange Commission. Information concerning equity holders in the Farallon Funds is not provided, as no such equity holders will have a cognizable interest in Integra's certificated carriers. Farallon's ownership interest in another domestic telecommunications company is discussed in the Domestic Supplement to this Application, attached hereto as Exhibit A.

The name and citizenship of the Managing Members of Farallon Capital Management, L.L.C., in addition to Mr. Steyer and Mr. Spokes, are as follows: (1) Richard B. Fried, U.S.; (2) Stephen L. Millham, U.S.; (3) Mark C. Wehrly, U.S.; (4) William F. Duhamel, U.S.; (5) Monica R. Landry, U.S.; (6) Gregory S. Swart, New Zealand; (7) Rajiv A. Patel, U.S.; (8) Alice F. Evarts, U.S.; (9) Jason E. Moment, U.S.; (10) Douglas M. MacMahon, U.S.; (11) Ashish H. Pant, India; (12) Daniel J. Hirsch, U.S.; and (13) Richard H. Voon, U.S. The address for each of these Managing Members is One Maritime Plaza, Ste 2100, San Francisco, California 94111. None of the Managing Members other than Mr. Steyer and Mr. Spokes holds a 10 percent or greater interest in Farallon Capital Management, L.L.C.

(i) **Certification as to whether any Applicant is, or is affiliated with, a foreign carrier:**

Goldman hereby certifies that it is affiliated with the foreign carriers listed below:

Known Foreign Carrier Affiliate

Name of affiliated foreign carrier	Countries in which company is authorized to provide telecommunications service	Description of company's activities
Diveo Broadband Networks, Inc.	Brazil, Colombia, Mexico	Provider of local broadband and Internet services infrastructure to corporate customers.

Possible Foreign Carrier Affiliates

In addition, Goldman Sachs is disclosing its affiliation with the following companies, which are non-U.S. entities engaged in the provision of communications services. Goldman Sachs was not able to confirm whether these companies are authorized to engage in the provision of international telecommunications services or have the ability to originate or terminate telecommunications services to or from points outside their country, but is disclosing its ownership interest in these entities out of an abundance of caution.

Name of affiliated foreign carrier	Countries in which company is authorized to provide telecommunications service	Description of company's activities
Spring Wireless Inc.	Brazil	Provides wireless solutions for corporate customers in Latin America
eMOBILE Ltd.	Japan	Mobile broadband service provider.
GET A/S	Norway	Provider of cable television, broadband and telephony

		services.
Shared Access, LLC	United Kingdom	Operator of wireless infrastructure.
Tikona Digital Networks	India	Wireless broadband provider.

As evidenced by the signatures to this Application, Applicants certify that none of the Applicants is a foreign carrier, and that no Applicant other than Goldman is affiliated with a foreign carrier.

- (j) Certification as to whether any Applicant intends to provide international telecommunications services to a destination country for which any of Sections 63.18(j)(1)-(4) of the Commission's Rules, 47 C.F.R. § 63.18(j)(1)-(4) is true.**

See previous answer.

As evidenced by the signatures to this Application, Applicants certify that no Applicants other than Goldman is affiliated, pursuant to 47 C.F.R. § 63.18(j)(1)-(4), with a foreign carrier providing service in a destination country to which Integra Holdings and its subsidiaries intend to provide international telecommunications services.

- (k) Goldman's Affiliated Foreign Carriers Lack Market Power in Their Respective Foreign Countries**

The foreign affiliates of Goldman cited above lack market power in the foreign countries where they provide service. The above-listed affiliates lack 50 percent market share in the international transport and the local access markets in their respective foreign markets, and none is listed on the Commission's List of Foreign Telecommunications Carriers That Are Presumed to Possess Market Power in Foreign Telecommunications Markets. As such, Integra Holdings and its subsidiaries are presumptively classified as non-dominant on these routes.

- (l) Section 63.10(a)(3) Showing**

As demonstrated in subsection (k), each of the foreign carriers affiliated with Goldman has less than 50% market share in the international transport and local access markets where they provide service, and therefore each of these providers is presumptively nondominant under Section 63.10(a)(3) of the FCC's rules. Therefore, Integra Holdings and its subsidiaries should be treated as nondominant with respect to the provision of international telecommunications to countries where Goldman's affiliated foreign carriers provide service.

- (m) Non-Dominant Classification Pursuant to Section 63.10**

As demonstrated in subsection (k), each of the foreign carriers affiliated with Goldman has less than 50% market share in the international transport and local access markets where they provide service, and therefore each of these providers is presumptively nondominant under Section 63.10(a)(3) of the FCC's rules. Therefore,